

CALIFORNIA'S SALES, USE AND TRANSACTIONS TAXES

CALIFORNIA SALES AND USE TAX

State General Fund	*4.1875%
Fiscal Recovery Act (Triple Flip)	0.25%
Local General Fund (Bradley-Burns)	0.75%
Countywide Transportation Fund	0.25%
County Mental Health/Welfare Districts	1.5625%
Public Safety Augmentation Fund	<u>0.50%</u>
Total	7.50%
Transactions and Use Tax Districts (Maximum rate per county)	<u>**2.00%</u> 9.25%

* Proposition 30, effective January 1, 2013, temporarily raises the State sales and use tax rate 0.25% for four years to fund K-12 schools and community colleges.

** 2.50 in the Counties of Alameda, Contra Costa and Los Angeles and the Cities of El Cerrito, La Mirada, Pico Rivera and South Gate with a maximum total rate of 10.00%.

The Bradley-Burns Uniform Sales and Use Tax Law provides for a city/county rate of 1.25%. One-quarter cent of the levy is sent to the countywide regional transportation fund. The balance goes to support local government general funds.

Effective July 1, 2004, 0.25 of the one percent local sales and use tax was diverted to guarantee state deficit bonds approved by Proposition 57. The withheld funds are backfilled from county property taxes each January and May per the state's "Triple Flip" borrowing plan. The Triple Flip is scheduled to end in Fiscal Year 2015-16.

Sales tax from the Bradley-Burns levy is allocated back to the jurisdiction where the sale was negotiated or the order taken. An alternate "use tax" is levied if the retailer fails to collect the tax or if tracking the "point of sale" is impractical. Use tax is allocated to local jurisdictions based on each jurisdiction's pro rata share of quarterly taxable sales as compared to countywide totals.

There were two funding allocations to compensate counties for program responsibilities shifted from the state General Fund. The first, 1991 realignment 0.50%, was for certain health and welfare services and is allocated first by population then by a caseload factor. The second, 2011 Realignment 1.0625%, compensates counties for expanded public safety and various health services programs.

The 0.5% Public Safety Tax (Proposition 172) rate was approved by the voters in 1993. The State Controller remits revenue from this statewide tax to counties on the basis of each county's share of its statewide taxable sales in the prior calendar year. County Auditors then distribute a portion to their local cities by applying a formula derived from the amount of property tax lost (if any) to previous state expropriations to create the Educational Revenue Augmentation Fund. Revenues can only be used for specified public safety purposes.

In many jurisdictions, additional sales and use taxes referred to as "transactions taxes" have been authorized. Multiple transactions taxes may be imposed though the total rate in any district may not exceed 2% for a total sales, use and transactions tax rate of 9.50% except in Alameda, Contra Costa and Los Angeles Counties and the Cities of El Cerrito, La Mirada, Pico Rivera and South Gate where the maximum rate is 10.00%

A fee is deducted from all local allocations each quarter to cover the state's proportionate collection and administration costs. The deduction averages slightly over 1% of total receipts.

TRANSACTION TAXES

As of the November 4, 2014 election, there are 204 active transactions and use tax districts of which 48 are countywide and 156 are in cities. The number changes due to newly approved districts and expirations because some districts have sunset dates. The taxes are used to finance a variety of needs including public safety services, local hospitals, road repairs and capital projects. Approximately 90% of the state's population currently resides in one or more transactions and use tax district.

As with other California taxes, a transactions and use tax district must obtain a majority vote if for general purposes and two-thirds vote if for specific purposes. However, a 1988 court decision found a Santa Clara County District that specified that the revenues could be spent for general county purposes required only a majority vote despite the passage of a related advisory measure stating the voters' intent that the revenues be spent on specific projects (Coleman vs. County of Santa Clara (64 Cal. App 4th 662)).

The combined district transactions tax rate cannot exceed 2.0% for a total sales, transactions and use tax rate of 9.50% except in Alameda, Contra Costa and Los Angeles Counties and the Cities of El Cerrito, La Mirada, Pico Rivera and South Gate where the maximum rate is 10.00%. A local agency may form more than one district but the total tax levy, including the rate of any countywide districts, must not exceed the 2.0% limit. The pertinent provisions of the California Revenue and Taxation Code are: Sections 7251.1, 7285.9 – 7285.92, 7285 – 7285.5

Total rates for cities and counties that have approved transactions taxes are listed below:

Alameda County**	9.50%	City of Trinidad**	8.75%	City of Point Arena	8.125%
City of Albany**	10.00%	Imperial County	8.00%	City of Point Arena	8.125%
City of Hayward**	10.00%	City of Calexico	8.50%	City of Ukiah	8.125%
City of San Leandro**	10.00%	Inyo County	8.00%	City of Willits	8.125%
City of Union City**	10.00%	Kern County	7.50%	Merced County	7.50%
Alpine County	7.50%	City of Arvin	8.50%	City of Atwater	8.00%
Amador County	8.00%	City of Delano	8.50%	City of Gustine	8.00%
Butte County	7.50%	City of Ridgecrest	8.25%	City of Los Banos	8.00%
Town of Paradise**	8.00%	King County	7.50%	City of Merced	8.00%
Calaveras County	7.50%	Lake County	7.50%	Mono County	7.50%
Colusa County	7.50%	City of Clearlake	8.00%	Town of Mammoth Lakes	8.00%
City of Williams	8.00%	City of Lakeport	8.00%	Monterey County**	7.625%
Contra Costa County	8.50%	Lassen County	7.50%	City of Carmel**	8.625%
City of Antioch	9.00%	Los Angeles County	9.00%	City of Del Rey Oaks**	9.125%
City of Concord	9.00%	City of Avalon	9.50%	City of Gonzales**	8.125%
City of El Cerrito**	10.00%	City of Commerce	9.50%	City of Greenfield**	8.625%
City of Hercules	9.00%	City of Culver City	9.50%	City of King City**	8.125%
City of Moraga	9.50%	City of El Monte	9.50%	City of Marina**	8.625%
City of Orinda	9.00%	City of Inglewood	9.50%	City of Monterey**	8.625%
City of Pinole**	9.50%	City of La Mirada	10.00%	City of Pacific Grove**	8.625%
City of Pittsburg	9.00%	City of Pico Rivera	10.00%	City of Salinas**	9.125%
City of Richmond**	9.50%	City of San Fernando	9.50%	City of Sand City**	8.625%
City of San Pablo*	9.25%	City of Santa Monica	9.50%	City of Seaside**	8.625%
Del Norte County**	7.75%	City of South El Monte	9.50%	City of Soledad**	8.625%
El Dorado County	7.50%	City of South Gate	10.00%	Napa County	8.00%
City of Placerville	8.00%	Madera County	8.00%	Flood Protection Auth.	8.50%
City of South Lake Tahoe	8.00%	Marin County	8.50%	Nevada County	7.625%
Fresno County	8.225%	Town of Corte Madera	9.00%	City of Grass Valley	8.125%
City of Huron	9.225%	City of Fairfax	9.00%	City of Nevada City	8.50%
City of Reedley	8.725%	City of Lakespur	9.00%	Town of Truckee*	8.375%
City of Sanger	8.975%	City of Novato	9.00%	Orange County	8.00%
City of Selma	8.725%	Town of San Anselmo	9.00%	City of La Habra	8.50%
Glenn County	7.50%	City of San Rafael	9.25%	City of Stanton**	9.00%
Humboldt County**	8.00%	City of Sausalito**	9.00%	Riverside County	8.00%
City of Arcata**	8.75%	Mariposa County	8.00%	City of Cathedral City	9.00%
City of Eureka**	8.75%	Mendocino County	7.625%	City of Coachella**	9.00%
City of Rio Dell**	9.00%	City of Fort Bragg	8.625%	City of Palm Springs	9.00%

Sacramento County	8.00%	San Mateo County	9.00%		
City of Galt	8.50%	City of Half Moon Bay	9.50%	City of Santa Rosa	8.75%
City of Rancho Cordova**	8.50%	City of San Mateo	9.25%	City of Sebastopol	9.00%
City of Sacramento	8.50%	Santa Barbara County	8.00%	City of Sonoma	8.75%
San Benito County	7.50%	City of Guadalupe**	8.25%	Stanislaus County	7.625%
City of Hollister	8.50%	City of Santa Maria	8.25%	City of Ceres	8.125%
City of San Juan Bautista	8.25%	Santa Clara County	8.75%	City of Oakdale	8.125%
San Bernardino County	8.00%	City of Campbell	9.00%	Sutter County	7.50%
City of Montclair	8.25%	Santa Cruz County	8.25%	Tehama County	7.50%
City of San Bernardino	8.25%	City of Capitola	8.75%	City of Red Bluff**	7.75%
San Diego County	8.00%	City of Santa Cruz	8.75%	Trinity County	7.50%
City of El Cajon**	8.50%	City of Scotts Valley	8.75%	Tulare County	8.00%
City of La Mesa	8.75%	City of Watsonville*	9.00%	City of Dinuba	8.75%
City of National City	9.00%	Shasta County	7.50%	City of Farmersville	8.50%
City of Vista	8.50%	City of Anderson*	8.00%	City of Porterville	8.50%
San Francisco County	8.75%	Sierra County	7.50%	City of Tulare	8.50%
San Joaquin County	8.00%	Siskiyou County	7.50%	City of Visalia	8.25%
City of Lathrop	9.00%	City of Mount Shasta	7.75%	Tuolumne County	7.50%
City of Manteca	8.50%	City of Weed***	7.75%	City of Sonora	8.00%
City of Stockton	9.00%	Solano County	7.625%	Ventura County	7.50%
City of Tracy	8.50%	City of Benicia**	8.625%	City of Oxnard	8.00%
San Luis Obispo County	7.50%	City of Fairfield	8.625%	City of Port Hueneme	8.00%
City of Arroyo Grande	8.00%	City of Rio Vista	8.375%	Yolo County	7.50%
City of Atascadero**	8.00%	City of Vacaville	7.875%	City of Davis*	8.50%
City of Grover Beach	8.00%	City of Vallejo	8.625%	City of West Sacramento	8.00%
City of Morro Bay	8.00%	Sonoma County	8.25%	City of Woodland	8.25%
City of Paso Robles	8.00%	City of Cotati*	9.25%	Yuba County	7.50%
City of Pismo Beach	8.00%	City of Healdsburg	8.75%	City of Wheatland	8.00%
City of San Luis Obispo	8.00%	City of Rohnert Park	8.75%		

March 2015 * Effective 10/1/14 ** Effective 4/1/15 *** Effective 7/1/15

STATE ADMINISTRATIVE FEES

A fee is deducted from all local allocations to cover the State Board of Equalization's direct and indirect collection and administrative costs. The fee is calculated quarterly and averages approximately 1.0% of the total sales, use and transactions tax collected.